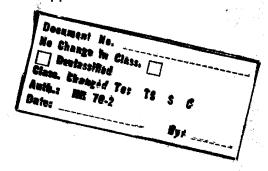
TATULTAX 9 Sanitized - Approved For Release : CIA-RDP82-00457R004000430001 CLASSIFICATION SEC REPORT NO. INFORMATION REPORT CD NO. COUNTRY China/Indochina DATE DISTR. 21 Dec. 1949 SUBJECT PAI Chung-hsi's Troops in Indochina NO. OF PAGES Return to CIA Library PLACE 25X1A NO. OF ENCLS. **ACQUIRED** DATE OF INF SUPPLEMENT TO 25X1X REPORT NO. The disarming and internment of the troops of Chinese Nationalist General PAI Chung-hai entering Indochina is only a gesture aimed at the French public 25X1X Actually the troops are being assimilated into the Vietnam PAI is conducting further negotiations with the Vietnam (Bao Dai) government. He is considering moving his headquarters to Haibhong, Indochina, if Hainan is taken by the Communists. On 15 December 1949 in Hong Kong informant Durchased with PAI's funds 2,000,000 plastres from the Banque de 1º Indochine to pay the Nationalist troops in Indischina. Informant was to give this sum to PAI on Hainan on 17 December. As of 18 December PAI was in Hanoi. His forces were disposed as follows: Four thousand troops were disarmed and interned in Indochina 25X1X Approximately 15,000 Chinese troops in Indochina were wearing the Vietnam uniform and were commanded by Nationalist officers nominally under Vietnam officers There were 60,000 Nationalist troops on Hainan, 20,000 on the Liuchou 25X1X Peninsula and 20,000 in the Shihwantashan area awaiting the outcome of PAI-Vietnam negotiations for permission to enter These were all Indochina and join the Vietnam forces. This document is hereby regraded to CONFIDENTIAL in accordance with the Etter of 16 October 1978 from the Archivist of the United Siates. PAI plans to maintain his headquarters at Haikou, Hainan, but will divide his time between there and Hanoi, Indochina. HSIA Wei will be his deputy dring his absences from Haikou 25X1A 25X1X Comment. All military forces in Northern Indochina are under the command of General Alessandri, commanding general of the Trounes Francaises Indochine du Nord (TFIN). As far as is known the Bao Dai Government has, at present, no armed forces independent of the French High Command. <u> 25X1A</u> Comment. The French vauthorities in Indochina and officials of the Bao Dai Government have both publicly and privately insisted that v<sup>na pi</sup> CLASSIFICATION SECRET STATE NAVY NSRB DISTRIBUTION X AIR ARMY Bountsons ₹elease : C Sanitized Cy: 034 23.3

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no agreement has been or will be reached with refugee Chinese Nationalist leaders concerning the use of Nationalist troops against the forces of the Ho Chi Minh Government now battling the French throughout Indochina. On 10 December 1949 Leon Pignon, French High Commissioner for Indochina, publicly stressed that all Chinese Nationalist forces crossing the border would be disarmed and interned according to international law. The Bao Dai Government-controlled Rue Radio has repeatedly attacked the Chinese Mationalists and demanded that all forces attempting to cross the border be either repulsed or interned. On 16 December 1949 Bao Dai Government circles in Saigon formally denied "the fantastic, tendentious and completely baseless reports published by foreign newspapers to the effect that the Chinese Nationalist forces of General PAI Chung-hai were being reorganized in the Sino-Tonkinese border area with a view toward actively supporting the cause of the Bao Dai Government. \* The French-controlled Saigon Radio on 16 December stressed the attitude of the French and Vietnamese (Bao Dai) Governments who intend "to observe strict neutrality in the Chinese problem and apply strictly the provisions of international law." The Saigon radio pointed out that a similar allegation was used by Chinese Nationalist propaganda long ago with a view to obtaining an alliance with the Western Powers. The Saigon Radio, quoding authoritative French circles, reiterated that the internment of the Nationalist forces of PAI Chung-hai is the best evidence of the Franco-Vietnamese will to observe strict neutrality in Chinese affairs. With the known strong anti-Chinese feeling of the Vietnamese population of northern Indochina as a result of the Chinese occupation of 1945-46, it is very unlikely that either the French or the Bao Dai Government could accept the assistance of refugee Nationalist forces without completely alienating whatever support Bao Dai has been able to muster among the Vietnamese people and playing directly into the hands of Ho Chi Minh who could then justify accepting open assistance from the Chinese Communists.

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